Permanent Source - San Mateo
5/13/08

Suggested programs and types of projects that should be funded:

- It was suggested that we start with the amount we should generate. Director Jacobs responded that we need to see what is doable before we can determine how much funds to raise.

- Incentives to have a new source of funds in place before the funds run out.

- Use of existing housing programs like MHP. Don't need to reinvent the wheel.

- Coordinated groups to get together and also use money to encourage regional partnerships. Increase the use of existing housing in a more efficient manner such as shared housing. Most elderly may have a room they can rent.

- Provide counseling for home sharing programs.

- Reusing public land for public benefit of housing whether for employees or other affordable uses. Public agencies that own land can build housing without using tax payer dollars. Loans can be paid back with rents.

- We should feed our existing programs. Spend funds on people who do not have driver's licenses. For example use funds to create infrastructure for safe housing for the young and seniors.

- Affordable housing built by non-profits is critical component to housing crisis and keeps housing affordable for many years. Transit oriented development funds and Infill funds water down affordability requirements. Proposition 1C was promoted for affordable housing. (TOD funds have been opened to market rate developers)

- Every 100,000 households are served by DMV. Use DMV sites for the development of housing, 2 to 4 stories high dense housing. DMV should intensify the use of their locations with mixed use sites.

- Multifamily and special needs programs need to be continued.

- Subsidize homeowner barriers, such as interest rates and PMI. Strengthening homeownership program in CalHFA and HCD.

- Stick with limits of 120% income or lower. Should we raise it?   Every area is different, and there is no easy answer. Define the moderate income bracket and look at key employment issues.

- San Mateo County has ideas to share, which include 7 guiding principals from HEART's Legislative Committee, they are: 1. Sources should be substantial and can be leveraged by other sources through a partnership with the state - $1 million to $10 million a year or more. Through HEART it is estimated a funding leverage of ten times to create as many as 250 new units and assist 100 homebuyers per year. 2. More than one revenue source should be adopted. 3. Mix of uses, including ownership development, rental development, and homebuyer loans. 4. At least 50 percent of state funds should be distributed through local jurisdictions, including cities, counties, and local housing trust funds. (a) State should not preempt local options in creating a statewide source. (b) Once a dedicated source is adopted, the state should pass legislation enabling local jurisdiction to create local funding mechanisms that mirror the state's own sources. (c) State should provide matching funds or other incentives to localities that dedicate local revenue to housing (self-help or opt-in jurisdictions. 5. Allocation method to local jurisdictions should consider population, median home price, per-unit cost of construction, and other variables. 6. San Mateo County is ready and willing to host a pilot project to demonstrate what we could do with dedicated revenues for affordable homes. 7. The state – the Governor and the Legislature – should officially support the creation of the National Affordable Housing Trust fund.

- Develop an index. Make it easier for people to own homes and easier for developers to build homes.

- At least 50 percent distributed through localities. State should not preempt local choices to raise funds.

- Consider more help for the really low-income who have low paying jobs and deeper assistance for extremely low-income families with children. We need to cover the neediest. Fastest growing population of homeless is families with children.

- 27% of housing is occupied by single occupants. Consider programs to fund housing stock that is underutilized. Rehabilitate apartment buildings instead of constructing new ones. If housing is to be affordable, define: Affordable for whom?

- Develop programs to support capital funds.

- Tailor programs for specific populations that share characteristics and use different approach to funding because one size does not fit all and develop a mechanism for support.

- Subsidize local building and planning departments to reduce costs by eliminating delays.

- Senior housing for baby boomers with or without services.

- Operating subsidies. Link services with housing. MHSA in San Mateo - operating costs are biggest barrier to producing this type of housing.

- Cities have run out of money to fund 2nd loans. The state could provide third position loans and also fund mortgage insurance. The state could create a secondary market to buy municipal second loans made at the local level

- Support a mix of rental and homeownership programs, including second unit development.

- Small apartments: Non-profits can acquire and rehabilitate these properties.   Do seismic retrofit. Get money from the state.

- Subsidize private builders for green building.

- Refinance existing projects with better rates from state to enhance their affordability.

- Emphasis should be on production and homebuyers

How should the funds be distributed:

- Distribution cannot all come from the state. Local neighborhoods need to be considered. Process needs to be as flexible as possible.

- The state does not understand the needs of all cities: Locals should have money in combination with the state. Organizations are the best because they know what the issues are.

- The advantage of a trust fund is that of leveraging funds and the flexibility of funds. The county can identify need for local jurisdictions. A trust fund should be continued and receive money at a higher level.

- Local distribution at the county level is more efficient and quicker. Local distribution at state level could be affected by state political process.

- Use different channels (formula based), including schools, city, state. Offset or rebate based on cost of affordable housing.

- A split would depend on what source the funds would come from. The state could distribute large chunks of money. Counties cannot generate the same level as the state can.

- Efficiency at local level and also at state level as well because state may have more money for distribution. Blend with state and local.

- You need state for MHP, for large projects.

- Uses: Production and homebuyer assistance, but also some funds for planning.

- Counties do not have the expertise. Give it to the experts to distribute.

- Counties do not have adequate staffs.

- Consider efficiency to maximize what goes into housing. Currently, the state spends 5% for administrative costs. This is considered efficient.

- Need people who are housing experts, provide technical assistance at each locality.

- Have one housing entity for the state, instead of three or four.

- Shared appreciation and resale controls, but needs to be easy to use.

Sources of funding:

- Create an investment pool that the state guarantees.

- Bonds are for capital, state needs to fund special tax credits for non-profits.

- Needs to be a bullet-proof fund structured to be used for housing.

- Change Prop 13 on commercial assessments, would be passed on to employers.

- Housing for redevelopment area that may not be blighted. Infill area, Infill zone and TOD area where growth would happen.

- We should not have a tax increase, but we could reduce or eliminate the tax deduction on second homes.

- Document recording fee. Tiered or fixed investment of commercial at a different level. Second, vacation homes, and investment property (condos). Tax real estate documents only – real estate transfer tax.

- A foreclosure fee on banks (only if there was an actual foreclosure). As an interim step, allow local jurisdictions to pay their own recording fee. Use certain counties as model.

- Make serious partners of business (realtors and chambers).

- Ask county supervisors for a transfer tax.

- Tax real estate commissions.

- State income tax check off.

- Fee large luxury ticket sales above a certain amount. i.e. luxury boxes, sports, entertainment. Luxury tax.

- Tax mortgage loan junk fees. Lender fee.

- Tax cash-out mortgage loans.

- Tax closing fees.

- Match program- Real estate transfer tax to benefit affordable housing, tap into housing trust.

- Fees on home purchase transactions, equity lines, second mortgages and equity financing.

- Lottery and gaming.

- Link and direct a gas tax to transit oriented development.

- Assessment or development linkage fees for a variety of uses/sources. Ask commercial developers to help with matching funds.

- Linkage fee: Can state come in? Jurisdiction by jurisdiction? Regional linkage fees?

- Can the state enact a linkage fee to a region?

- Public safety mandate - public safety personnel must have housing in the service area they live in.

- Matching program for certain income levels so buyers have the funds to purchase a home.